ENERGY INSIGHT TODAY

Abraham may be perfect choice for Bush

Energy secretary nominee tied to business constituencies.

Strong links to Bush Sr.'s administration.

On same wavelength as much of transition team.

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President-elect George W. Bush and his transition team have moved swiftly to lay foundations for an energy strategy the incoming administration pledges will be central to its economic program as well as its national security management.

Bolstered by its control of both chambers of Congress as well as the White House—the first triple-hit for the Republicans since the Eisenhower administration won the triumvirate in the 1952 general election—the Bush team also has been working Capitol Hill. The goal: to ensure that its ambitious plans get off to a quick start.

Among the legislative committees most critical to the Bush plan's success—and among the most powerful in Congress—is the newly reconstituted House Energy and Commerce Committee, headed by veteran Louisiana Democrat-turned-Republican Rep. Billy Tauzin. According to committee spokesman Ken Johnson, the committee currently is working with the similarly formidable House Financial Services Committee to guarantee one doesn't get in the other's way as their Republican majorities work to support the new administration's development of a national energy plan. According to Johnson, that process is well under way and will lead to both being able to hit the ground running by Feb. 1.

In another signal that a new sheriff is in town, Federal Energy Regulatory Commission (FERC) chairman James Hoecker's resignation Jan. 10, only weeks after President Clinton reappointed him to the post, leaves president-elect Bush able to appoint two new members to FERC's board.

Why Abraham?

Enter Spencer Abraham, the secretary of energy-designate. Many in the media have expressed puzzlement as to why the one-term, defeated junior senator from Michigan was put forward for the energy job, particularly since he has been a strong advocate for abolishing the department. As it turns out, this stance might have been a plus in Bush giving the nod to Abraham for the post.

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Energy Secretary Spencer Abraham Source: USA Today

The 48-year-old GOP stalwart from Lansing, Mich. (chairman of the Republican Party of Michigan at just age 30), who during his senatorial term never missed a roll-call vote, has a reputation as a pragmatist. His support for abolishing the Department of Energy (DOE)—a body that dates back only to the Jimmy Carter administration—was rooted in criticism that it had a confused, or at least overly diffuse mission, covering everything from supervision of nuclear weapons laboratories (which consumes two-thirds of its budget) to oversight of the Federal Energy Regulatory Commission and Energy Information Administration, both of which the federal energy secretary has little power to direct.

Abraham makes for an interesting comparison to Gale Norton, Bush's nominee for interior secretary, who also has a history of challenging the purpose of the department she has been asked to lead, and is known as a fierce advocate of free-market solutions to environmental challenges.

Strong tie to Bush Sr.'s White House

Abraham, deputy chief of staff to Vice President Dan Quayle during the senior George Bush's presidency, has strong personal ties to the new president through Andrew Card, who was deputy chief of staff to Bush Sr. before becoming secretary of transportation. After Bill Clinton won the White House in 1992, Card became president and chief executive of the American Automobile Manufacturers Association and a vice president of governmental relations for General Motors.

Abraham's nomination as energy secretary also was strongly supported by Michigan Gov. John Engler, currently the president-elect's point man for relations with the Republican State Governors' Caucus. Throughout his time as a senator in Washington, Abraham built strong connections with business constituencies (and won impressive financial contributions to his failed re-election drive) that are now strategically important to both his and their agendas. For one thing, he was an early advocate of federal support for the strategic needs of companies building the digital economy, and did much to help them bridge labor shortages through easier access to work visas for badly needed foreign high-technology workers.

Now, with the energy crisis in California looming large, it is clear that major Silicon Valley corporations have a potential big friend back east in Spencer Abraham as the time to battle the huge, multi-tentacled monster enveloping the Golden State begins in earnest.

Secretary-designate supports Yucca Mountain plan

Abraham is likely to be a key player on another front, too. Bush's desire to come to grips with the nation's high-level radioactive waste disposal problems has nuclear-power industry leaders and the energy secretary-designate on the same wavelength. Abraham has been a strong advocate of the Yucca Mountain, Nev., waste disposal

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site. This has put him in good stead with members of Bush's "energy transition advisory team."

Members of Bush's roughly 50-member energy issues council are heavily pro-nuclear and include such influential electric industry players as Bush's close friend and fund raiser, TXU Chairman Erle Nye. Another is Pat Wood, head of the Texas Public Utilities Commission and himself a leading candidate for a major role in the new Bush administration.

The energy transition group helping to determine strategic priorities for this sector has been headed at the executive level by Vice President-elect Dick Cheney, through a coordination group that includes Andrew Linquist, the Senate Energy Committee's chief of staff and right hand man on that committee, which is headed by Alaska Republican Frank Murkowski, who is also a particular fan of Abraham.

Murkowski's advocacy of oil development on Arctic National Wildlife Refuge lands, strongly supported both by Abraham and Interior Secretary-designate Norton, and further backstopped by Alaska's Democratic Gov. Ted Knowles' determination to see such development proceed, amount to a powerful juggernaut.

In the delicate political balance of the new Congress, and with a new president enjoying the grace period customarily afforded his early days, the odds are good at this point that George W. Bush will prevail in achieving a national energy blueprint. In any case, the emphasis on concerted action to address energy issues as key to America's future prosperity is unparalleled in decades.